

SLOT ALLOCATION & SAILING AGREEMENT

By
Hanjin Shipping Co., Ltd.
And
Sinotrans Container Lines Co., Ltd.

FMC Agreement No. 011808

A Space Charter Agreement

Expiration Date: None

This Agreement has not been published previously.

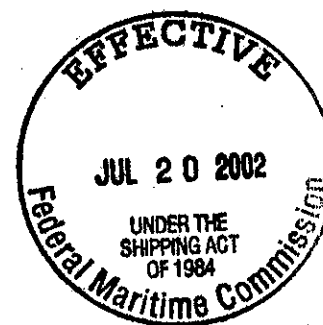


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ARTICLE 1: FULL NAME OF THE AGREEMENT

The full name of the Agreement is the HJS/SINOLINES SLOT ALLOCATION & SAILING AGREEMENT (hereinafter referred to as the "Agreement").

ARTICLE 2: PURPOSE OF THE AGREEMENT

The purpose of the Agreement is to permit the parties to achieve efficiencies and economies in their respective services offered in the trade covered by the Agreement.

ARTICLE 3: PARTIES TO THE AGREEMENT

The parties to the Agreement (hereinafter "Party" or "Parties") are:

1. Hanjin Shipping Co., Ltd. ("HJS")
Hanjin Shipping Building
25-11, Yoido-dong, Youngdeungpo-ku
Seoul, Korea
2. Sinotrans Container Lines Co., Ltd. ("Sinolines")
Sinotrans Mansion, No. 188,
Fujian Middle Road,
Shanghai, China

ARTICLE 4: GEOGRAPHIC SCOPE OF THE AGREEMENT

This Agreement shall cover transportation between ports in Asia including China, Hong Kong, Taiwan, Korea, Japan and inland and coastal points via such ports and other Asian countries via

such ports and ports in the United States Pacific Coast and U.S. inland and coastal points served via such ports. The foregoing geographic scope is hereinafter referred to as "the Trade".

ARTICLE 5: AGREEMENT AUTHORITY

5.1 Definition

Slot Provider: The party who provides slots to other Party.

Slot Purchaser: The party who purchases slots in the service of other party

5.2 Cargo

This Agreement covers containerized cargoes, break bulk cargoes and empty containers.

5.3 Space

The slot provider will make available slots to the slot purchaser in the trade.

The slot provider shall provide slot for agreed slots or weighted deadweight tons per vessel, whichever is reached first, used or not used, both Eastbound and Westbound, on vessels operated in the trade on terms and condition to be agreed by the parties.

The slot purchaser shall pay the slot provider for the slots at rates and terms to be agreed between the Parties. Slot and cargo weight allocation including allocation of reefer slots may be adjusted from time to time subject to mutual agreement of the Parties. The slot provider is authorized to sell to the slot purchaser additional slots over and above each allocation under this Agreement on such terms as the Parties may from time to time agree.

The slot provider shall make available to the slot purchaser up to the following number of slots per month aboard the provider's vessels in the Trade as follows, with specific allocations on specific vessels as the Parties may decide from time to time.

A. United States Pacific Coast to:

Asia

HJS shall make available to Sinolines: 3000 slots
Sinolines shall make available to HJS: 3000 slots

B. United States Pacific Coast From:

Asia

HJS shall make available to Sinolines: 3000 slots
Sinolines shall make available to HJS: 3000 slots

5.4 Efficient Use of Equipment, Terminals, Stevedores, Ports and

Suppliers

(1) The Parties may interchange or lease empty containers, chassis and/or related equipment to provide for the efficient use of such equipment on such terms as they may agree. The Parties shall procure the maintenance of all equipment so as to keep it technically compatible with the characteristics of the vessels operated under this Agreement, but equipment control shall be conducted separately by each Party. The Parties may also jointly contract with or coordinate in contracting with stevedores, terminals, ports and suppliers of equipment, land or services or may designate a party to provide such services on the designating party's behalf. Notwithstanding the foregoing, stevedoring and terminal expenses for handling containers, both full and empty, and all cargo shall be for the account of the booking Party. This Agreement does not authorize joint operation of any marine terminal by the Parties in the United States.

(2) The Parties shall endeavor to work towards utilizing a single common terminal at each port covered by this Agreement unless in an emergency or for the common benefit an alternative berth is used for cargo handling provided the advance agreement of the Parties is obtained.

5.5 No Joint Service, Pooling

The slot chartering, coordination of sailings and

vessels, and cooperative use of equipment, terminals, stevedores, ports and suppliers to the extent provided hereunder do not create a joint service or permit the Parties to pool cargo or revenue or to discuss rates.

5.6 Marketing and Documentation

The Parties shall solicit and book cargoes subject to this Agreement for their separate accounts and shall issue their own separate bills of lading. This Agreement does not authorize the Parties to establish a common tariff.

5.7 Documentation, Data Systems

The Parties may discuss and agree on terms and conditions of joint development, implementation, and interchange of documentation, data systems, information and data, other operating systems, and computerization and joint communication, including any joint negotiations, leasing or contracting relating thereto.

5.8 Transshipment and Feeder Arrangements

When used in conjunction with the carriage of cargo in the Trade the Parties may discuss and agree on use and rationalization of one another's feeder, port, terminal and intermodal operations within and between foreign countries.

5.9 Miscellaneous

(1) The Parties may also discuss and agree upon such general administrative matters and other terms and conditions concerning the implementation of this Agreement as may be necessary or convenient from time to time, including, but not limited to, performance procedures and penalties, procedures for allocating space, forecasting, terminal operations, stowage planning, the number and type of vessels of each Party, the ports called and sailing schedules, schedule adjustments, record-keeping, responsibility for loss or damage, the establishment and operation of individual or joint tonnage centers, the terms and conditions for force majeure relief, insurance, liabilities, claims, indemnification, consequences for delays, and treatment of hazardous and dangerous cargoes. Notwithstanding the foregoing each Party shall bear its own administrative expenses in connection with this Agreement.

(2) The slot provider shall provide any documentation relating to vessels that may be required to permit vessel's trade in the service leg, including, but not limited to certificates of financial responsibility for oil pollution, valid international tonnage certificate, valid certificate of registry.

5.10 Vessels

Initially, HJS will be providing 5 vessels of approximately 3500 ~ 4500 TEU capacity in the Trade and intends to operate weekly.

Initially, Sinolines will be providing 5 vessels of approximately 2500 ~ 3500 TEU capacity in the Trade and intends to operate weekly.

ARTICLE 6: AUTHORIZED REPRESENTATIVES

The following persons shall have authority to sign and file this Agreement or any modification to this Agreement, to respond to any requests for information from the FMC and to delegate such authority to other persons.

- (1) The Chief Executive, or a Vice President for each Party; or
- (2) Legal counsel for each Party.

ARTICLE 7: MEMBERSHIP, WITHDRAWAL, READMISSION AND EXPULSION

None.

ARTICLE 8: VOTING

All matters decided under this Agreement, including amendments hereto, shall be by unanimous vote of the Parties. The Parties may meet wherever they decide for the purpose of

implementing this Agreement; however, actions in implementation of this Agreement may also be taken pursuant to telephone/telefax/E-mail/ or other written polls of the Parties. A quorum shall exist if all Parties are present in person or by telephone/telefax/E-mail/or other writing contact.

ARTICLE 9: DURATION AND TERMINATION OF THE AGREEMENT

9.1 Unless otherwise agreed by the Parties, this Agreement shall be effective upon the later of either the commencement by the Parties of the vessel operations described herein, or the date the Agreement becomes effective pursuant to the Shipping Act of 1984 as amended by the Ocean Shipping Reform Act of 1998. Failure of a Party to obtain approval of any authority, for any reason, shall not provide the basis for any recourse, liability or damages whatsoever.

9.2 Subject to Article 9.1 above, this Agreement shall commence latest by August 1, 2002 and is intended to remain in force for an initial period of one year through July 31, 2003 and shall be automatically extended for successive one-year periods unless terminated pursuant to Article 9.3.

9.3 The Agreement may be terminated as follows:

- (1) Either Party may terminate this Agreement by giving written notice of termination not less than 90 days prior to the termination date specified in such notice. However such notice can only be given after nine (9) months from the commencement of this Agreement
- (2) Either party may terminate this agreement if one or more vessels are lost or withdrawn from service under this agreement and is not replaced by the slot provider within one (1) month after the loss. The slot provider shall give immediate written notice to the slot purchaser of any actual loss or constructive loss of vessel.
- (3) Notwithstanding the above provisions, this agreement may be terminated at any time by mutual consent of the parties.

9.4 If any Party becomes involved in any one of the following situations, the other Party has the right, by giving written notice, to terminate the Agreement immediately without prejudice to any already accrued rights and obligations:

- (1) Commencement of dissolution procedure;
- (2) Filing of bankruptcy or insolvency procedure;
- (3) Making a general assignment or composition with its creditors.

9.5 Notwithstanding any other provision of this Agreement, the obligations of the Parties pursuant to this Agreement shall remain in force until each Container Ship operated pursuant to this Agreement shall have completed discharging at the last port on the last leg of her final complete voyage which commenced prior to termination, and all accounts between the Parties under this Agreement are settled.

ARTICLE 10: ARBITRATION AND GOVERNING LAW

Any dispute among the parties arising out of or connection with this Agreement shall, if amicable settlement is not possible, be arbitrated at London and, unless the Parties agree forthwith on a single arbitrator, be referred to the final arbitrament of two arbitrators carrying on business in London who shall be members of the Baltic Mercantile & Shipping Exchange and engaged in shipping, one to be appointed by HJS and one by Sinolines, with power to such arbitrators to appoint an umpire. No award shall be questioned or invalidated on the ground that any of the arbitrators is not qualified as above, unless objection to this action be taken before the award is made. This Agreement is subject to the U.S. Shipping Act of 1984. Any dispute arising hereunder shall be governed by English Law, to the extent it is not in conflict with the Shipping Act of 1984.

ARTICLE 11: LANGUAGE

This Agreement and all notices, communications or other written documents related to this Agreement shall be in the English language. If any document related to the Agreement cannot be in the English language, it shall be accompanied by an English

translation and the English version shall prevail.

ARTICLE 12: NON-ASSIGNMENT

12.1 The parties shall not assign, transfer, subcontract, change, or otherwise dispose of any rights and duties in this Agreement to any person, firm, or corporation without the prior written consent of the other party.

12.2 The slot purchaser shall not be authorized to enter into any other agreement on behalf of the slot provider whether relating to navigation, operation or management of the vessel or otherwise.

12.3 The slot purchaser may not sub-let any part of its slot allocation to any third party without the prior written consent of the slot provider.

ARTICLE 13: FORCE MAJEURE

The obligations of the Parties shall be excused to the extent that the existence and continuance of conditions beyond its control render a Party unable perform its obligations. Such conditions include but are not limited to: war, civil commotion, invasion rebellion, regulations, or order of governmental authorities, acts of God, or inability to obtain materials or services. The Party asserting the existence of such conditions as an excuse of non-performance shall promptly give written notice of such conditions to the other Party.

ARTICLE 14: HARDSHIP

14.1 Notwithstanding Article 9, during the effective period of this Agreement, if the consequences of any Force Majeure described in Article 13, or boycott against one flag or a political ban against one Party, causes substantial frustration of the objectives of the Agreement, then the Parties shall meet in a spirit of goodwill and are bound to adapt this Agreement to these circumstances. If the Parties fail to reach an agreement within sixty (60) days, any Party may terminate this Agreement immediately upon written notice.

14.2 In the event one of the Parties is merged with or sold to a third party which continues to operate container vessels in the Trade, then the other Party shall be bound by the terms of this Agreement and continue to provide or purchase space under the terms of this Agreement. The merging Party shall include in the merger agreement a clause requiring the merged entity to honor this Agreement. Notwithstanding the foregoing either of the Parties who was not subject to merger shall have the right to terminate this Agreement on ninety (90) days prior written notice.

ARTICLE 15: NOTICES

Except as otherwise agreed by the Parties hereto, any notice under this Agreement shall be in writing and be signed by or on behalf of the Party giving it. Any such notice will be served by sending it by facsimile to the fax number as notified by the Parties as provided hereunder.

1. Hanjin Shipping Co., Ltd.
Hanjin Shipping Building
25-11, Yoido-dong, Youngdeungpo-ku
Seoul, Korea
2. Sinotrans Container Lines Co., Ltd.
Sinotrans Mansion, No. 188,
Fujian Middle Road,
Shanghai, China

Any notice so served by facsimile shall be deemed to have been received twelve (12) hours after the time of dispatch provided an error-free transmission report has been received by the sender.

ARTICLE 16: COUNTERPARTS

This Agreement may be executed in counterparts. Each such counterpart shall be deemed an original, but all together shall constitute but one and the same instrument.

ARTICLE 17: SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties have executed this Agreement
on the date above set forth.

HANJIN SHIPPING COMPANY LTD.

By: _____

[Signature]

SINOTRANS CONTAINER LINES CO., LTD.

By: _____

[Signature]

Dated: June 4, 2002

JUL 20 2002